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NORTH YEMEN-SOUTH YEMEN: Border Tensions Over Oil X

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The possibility of a border clash between the two Yemens has been heightened by South Yemen's formal claim to territory near a recent oil discovery. [redacted] the claim was made after North Yemen protested the buildup of South Yemeni military forces in the disputed area near Ma'rib following a major oil discovery south of there by the USSR. [redacted] Sanaa believes the Soviet discovery is in North Yemen. [redacted]

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Comment: Geologic studies known to the North Yemenis suggest that the disputed area includes several large oilfields containing at least several hundred million barrels of oil. The Soviet discovery probably confirmed South Yemeni suspicions that the oil-bearing area in North Yemen extends into South Yemen, and Aden will push the border issue. North Yemen has permanent military facilities at Ma'rib, however, and maintains a decisive numerical advantage over South Yemeni forces in the border area. Even so, the oilfields are vulnerable to sabotage. [redacted]

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INDIA: Military Pushing Resumption of Exercises

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Indian officials have reacted to the Indo-Pakistani border withdrawal agreement with relief, but the military appears determined to continue with the Brass Tacks exercises. [redacted] the Army Chief of Staff seems to have persuaded Prime Minister Gandhi to continue the Brass Tacks IV exercise at full strength despite misgivings in the Cabinet and Foreign Ministry. The US Embassy and Indian press commentators speculate that Gandhi's aggressive stance will enhance his party's political standing in the key spring elections in two northwestern states. Critics, however, are accusing Gandhi of vacillating between appeasement and confrontation during the crisis and of making India appear a bully. [redacted]

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Comment: Some Indian troops at the border are likely to move to the Brass Tacks exercise area over the next few days rather than return to garrison—probably sparking renewed Pakistani protests. Gandhi and his Congress Party almost certainly will translate the Army deployments into votes from Hindus in the northwest, who will welcome additional troops in Punjab as evidence of New Delhi's commitment to combat Sikh extremists. Gandhi should easily weather press criticism that his recent actions were ill considered and inconsistent. [redacted]

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